

# THE ARIZONA REPUBLIC

## VA Aid and Attendance Benefits for Long-Term Care

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This article will cover a potential solution to the AZ long-term care crisis that uses Federal funds to pay for part of the cost of those who need assisted-living, nursing home, or even home health care. This program is called the Veterans Administration Aid and Attendance Program. If the veteran (or his surviving spouse) qualifies, the tax-free benefits for 2009 can be up to: \$23,388/year for a veteran with one dependent (plus \$1,866 for each additional dependent); \$19,968/year for a veteran; or \$12,672/year for a surviving spouse of a veteran.

There are several requirements to qualify for this benefit:

### Qualifying Military Service:

- For Veterans and their spouses or surviving spouses
- Must have served during war time (one day during war time and 90 days active duty) but did not have to serve in a combat role.
- Periods of War are defined in a chart that gives the exact dates.
- Must have either an "honorable" or "general honorable" discharge.
- Disability does not have to be related to service.

### Medical Qualifications:

- To qualify medically, a War-Time Veteran or surviving spouse must need the assistance of another person to perform activities of daily living such as eating, dressing, bathing, etc.
- Being blind or in a nursing home for mental or physical incapacity, or residing in an assisted living facility also qualifies.

Asset Qualification: An applicant and his/her spouse must have less than \$80,000 in assets (\$50,000 for a single applicant) EXCLUDING their home and vehicles. There is no "look back"

period. Assets are counted from the date of application.

### Income Qualification:

Net income after the deduction of all unreimbursed medical expense (including the cost of aid) is compared to a threshold amount established by the federal government each year.

Unreimbursed Medical Expenses:

- Medicare and Medicare supplement premiums
- Pharmaceuticals
- Over-the-counter drugs and supplies
- Cost of assisted living facility or home health care
- Any other out-of-pocket medical-related expense

### Example of a Benefit Calculation:

Assume that there's a veteran with a spouse (the spouse lives at home but is not disabled) and their total social security and pension income is \$21,000. Assume the total unreimbursed medical expenses are \$16,700 (which includes \$14,400 of qualifying home health care). The calculation is  $\$21,000 - \$16,700 = \$4,300$  of Net Income. The benefit is  $\$23,388$  (threshold amount) -  $\$4,300$  (net income) =  $\$19,088$ /year, or  $\$1,590.66$ /month.

Note: The home health care can be provided by professionals, family, or friends. This is especially important for spouses or dutiful daughters who historically take care of their disabled husbands and fathers. Whether fair or not, sons historically do not give up their jobs or work part-time to fulfill this obligation.

This benefit is very different from that of many long-term care insurance policies that often require that the disabled person be a permanent resident of an assisted-living facility (or nursing



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home) and that the payment of the benefit is directly to that facility.

### The Application Process:

- Use VA Form 21-526 for a veteran or VA Form 21-534 for a spouse or dependent
- Can take up to six months
- If approved, the benefit will be awarded retroactively to the date of application.

### VA Benefit Planning:

If one does not exactly meet the qualifications, such as having too many assets or too much income, often specialized planning can help the veteran qualify. Veterans defended America's freedom in many wars. This is a benefit to honor the service in our military. It can make a dramatic difference to the financial peace of mind of a family. It's ideal that the kids be involved, particularly if there are legal asset transfers (subject to strict rules) to the kids. Involving the whole family helps decrease family conflicts over money and/or the time required to care for a disabled veteran and/or his surviving spouse. According to many press reports, only a small minority of those who qualify for these benefits receive them, due to lack of knowledge.

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